

**BEFORE THE SOUTH CAROLINA
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)	
)	
Applewood Communications Corporation)	
)	Docket No. 2011-__-C
To Provide Resold Interexchange)	
Telecommunications Services)	
Throughout the State of South Carolina and for)	
Alternative Regulation)	
)	

APPLICATION

Applewood Communications Corporation (“Applicant”), by its undersigned counsel and pursuant to the South Carolina Code 58-9-280 and the rules and regulations of the South Carolina Public Service Commission (“Commission”), hereby submits its Application for a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services on a statewide basis. Applicant requests that its interexchange services be subject to alternative regulation, pursuant to South Carolina Code § 58-9-585 (Supp. 1999), as was first granted by the Commission in Order Nos. 95-1734 and 96-55 issued in Docket No. 95-661-C.

The Applicant submits the following information in support of its request.

I. DESCRIPTION OF THE APPLICANT

1. Applicant’s legal name is Applewood Communications Corporation. Applicant is a Corporation organized under the laws of the State of Delaware. A copy of Applicant’s Certificate of Formation is attached as **Exhibit 1**. A copy of Applicant’s Certificate of Good Standing in South Carolina is attached as **Exhibit 2**.

2. Name, Address and Telephone Number of Applicant:

Applewood Communications Corporation
1057 Bill Tuck Highway, Suite 224
South Boston, VA 24592
Telephone: (804) 955-4865
Facsimile: (212) 208-4564

3. Correspondence concerning this Application should be directed to:

John J. Pringle, Jr.
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, South Carolina 29202-2285
Telephone: (803) 343-1270
Facsimile: (803) 799-8479
jpringle@ellislawhorne.com

and:

Courtlandt G. Miller
Applewood Communications Corporation
1057 Bill Tuck Highway, Suite 224
South Boston, VA 24592
Telephone: (804) 955-4865
Facsimile: (212) 208-4564
miller@myapplewood.com

4. Questions concerning the ongoing operations of Applicant following certification should be directed:

Courtlandt G. Miller
Applewood Communications Corporation
1057 Bill Tuck Highway, Suite 224
South Boston, VA 24592
Telephone: (804) 955-4865
Facsimile: (212) 208-4564
miller@myapplewood.com

5. Applicant's registered agent in South Carolina is:

Business Filings International, Inc
2 Office Park Court, Suite 103
Columbia SC 29223

6. The following toll-free numbers are available for customer service inquiries:
877-823-1223 and 888-350-2153.

II. DESCRIPTION OF SERVICES

1. Applicant is a reseller of long-distance telephone services offered by facilities-based inter-exchange carriers. Applicant neither owns, leases, nor operates any switching, transmission, or other physical facilities in the State of South Carolina, and no such facilities will be used by Applicant in providing long-distance service in the State of South Carolina. Upon receiving certification, Applicant intends to provide telecommunications services, including outbound 1+ dialing, inbound 800/888 toll-free, VoIP, travel card and prepaid calling card services, throughout the State of South Carolina. Its services will be available on a full-time basis, twenty-four hours a day, seven days a week, to customers within the geographic boundaries of the State of South Carolina. All services provided will meet the service standards that the Commission may adopt.

2. Applicant has authority to provide resold interexchange service in all states, with the exception of Alaska and Hawaii, and in the District of Columbia

III. FINANCIAL, MANAGERIAL & TECHNICAL QUALIFICATIONS

1. Applicant is financially, technically and managerially qualified to operate and manage its proposed telecommunications operations in South Carolina.

2. Applicant's key management personnel have extensive experience which is set forth in **Exhibit 3** which is attached hereto. Applicant will have a fully staffed call center that will be able to service all provisional, technical and customer care calls. Furthermore, since Applicant will be providing services as a reseller, Applicant will also rely up the technical

expertise of its facilities-based underlying carriers which upon initially will be Telrite Corporation and Vitelity Communications, LLC.

3. Applicant's key management are as follows:

Courtlandt G. Miller – President
Barry Augustinsky – Chief Technology Officer

4. Applicant is financially qualified to provide resold interexchange services in South Carolina. Applicant provides hereto as **Exhibit 4** a current balance sheet and a statement of profit and loss. This information is Confidential and is being filed under seal. Applicant requests that **Exhibit 4** be afforded confidential treatment in accordance with S.C. Code Ann. § 39-9-10, *et seq.*, S.C. Code Regs. 103-800, *et seq.* and Commission Order No. 2005-226, because this exhibit contains financial information, which, if disclosed, would result in substantial harm to Applicant's competitive position. Applicant has filed its *Motion for Protective Treatment of Financial Statements* concurrent with this Application.

IV. REGULATORY COMPLAINT AND WAIVER REQUESTS

1. As required by South Carolina Code 58-9-280, attached hereto is a copy of Applicant's proposed initial tariff containing rates, terms, and conditions for the services proposed herein. Attached as **Exhibit 5** is Applicant's proposed interexchange service tariff.

2. Applicant will market its services by direct marketing and sales. Applicant does not currently have promotional materials to be used in South Carolina; however, if required by the Commission, Applicant will provide the Commission copies of such materials when they become available.

3. Pursuant to the South Carolina Public Service Commission's Order No. 95-658 (issued March 20, 1995), Applicant makes the following affirmation, which is included in Applicant's proposed tariff, attached hereto as **Exhibit 5**:

As a telephone utility under the regulation of the Public Service Commission of South Carolina, Carrier does hereby assert and affirm that as a reseller of intrastate telecommunications service, Carrier will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and will comply with those marketing procedures, if any, set forth by the Public Service Commission. Additionally, Carrier will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. Carrier understands that violation of this provision could result in a rule to show cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina.

4. As stated above, Applicant's toll-free numbers for customer service are 877-823-1223 and 888-350-2153. Its customer service email address is customerservice@applewoodcommunications.com. Toll-free customer service numbers will be printed on customer bills.

5. Applicant requests a waiver of the requirement in Rule 103-610 that all records required under the rules be kept within the State. Applicant's activities in the State of South Carolina will be managed from out-of-state. Requiring Applicant to maintain its books and records in the State of South Carolina would place an undue financial burden on Applicant as it competes with other carriers that maintain their books and records outside of the State of South Carolina. Upon written request from the Commission, Applicant will produce such books and records at such time and place within South Carolina, as the Commission may designate. Alternatively, Applicant will pay to the Commission the reasonable expense or charges incurred by the

Commission for any investigation or examination the Commission undertakes at Applicant's business offices.

6. Applicant requests that it be exempt from any record keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Good cause exists for the grant of this waiver. Neither the Federal Communications Commission nor any other jurisdiction requires Applicant to maintain its books and records according to the USOA. Absent the grant of a waiver, Applicant would be required to maintain a dual set of books, one solely for South Carolina and another for all other jurisdictions. Such a requirement would be extremely burdensome. GAAP is a widely-accepted accounting methodology that accurately reflects the Applicant's operations. Applicant's continuing use of GAAP will be consistent with the principles embodied in the USOA provisions and will permit Applicant to comply with any applicable Commission requirements.

7. In addition to the above requested waivers, Applicant reserves the right to seek any regulatory waivers that may be required for Applicant to compete effectively in the South Carolina telecommunications market.

V. PUBLIC INTEREST CONSIDERATIONS

Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in South Carolina. Applicant will deploy and expand a competitive telecommunications infrastructure in the State. Applicant will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing

continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

VI. CONCLUSION

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide resold interexchange telecommunications services. Also, Applicant respectfully requests that the Commission grant the waivers requested in this Application, including alternative regulation in accordance with South Carolina Code Ann. Sec. 58-9-585 (Supp. 1999) in the same manner as granted by the South Carolina Public Service Commission in Order Nos. 95-1734, 96-55, and 98-165.

WHEREFORE, Applewood Communications Corporation respectfully requests that the South Carolina Public Service Commission grant it the authority to provide resold interexchange telecommunications services in the State of South Carolina, grant alternative regulation as requested herein, and grant such other relief as is just and proper.

Respectfully submitted,

s/ John J. Pringle, Jr.

John J. Pringle, Jr.

Ellis, Lawhorne & Sims, P.A.

Post Office Box 2285

Columbia, South Carolina 29202-2285

(803) 343-1270 (Tel)

(803) 799-8479 (Fax)

jpringle@ellislawhorne.com

Counsel for Applewood Communications
Corporation

Columbia, South Carolina
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